

# WFG Underwriting Bulletin



To: All CA, NV, & AZ Policy Issuing Agents of WFG National Title Insurance Company  
From: Underwriting Department  
Date: February 1, 2017  
Bulletin No. CA 2017-01, NV 2017-01, AZ 2017-01  
Subject: Forged Trustees' Deeds, Non-Existent Foreclosures

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WFG has had a number of recent claims based on allegedly forged trustees' sale deeds, and phony foreclosures. We've issued bulletins on these topics before and are republishing these bulletins for the benefit of newer agents and employees:

California [10-002 More Fraud Deeds](#)

We're also tightening our examination and curative standards.

1. If the land records indicate a completed judicial foreclosure sale recorded within the last 2 years in which the property was NOT conveyed to an institutional lender or servicer, the searcher/examiner shall verify with the court's online docket system or by confirming with the clerk of the court that there was, in fact, a court proceeding filed and prosecuted to sale. This is in addition to other steps required for the examination of a foreclosure sale.
2. If the land records indicate a completed non-judicial foreclosure in which the trustee deed was recorded within the last 2 years, and in which the property was NOT conveyed to an institutional lender or servicer, include this requirement:
  - #. Independent verification with the selling trustee or officer of the validity of the [Trustee's/Sheriff's Deed] given by \_\_\_\_\_ to \_\_\_\_\_ dated \_\_\_\_\_, recorded in \_\_\_\_\_, using contact information gathered from other sources.

This is in addition to other steps required for the examination of a foreclosure sale.

All independent verifications are to be performed by the title agent, title officer, or closer clearing the title objections. Verifications provided by other sources or from the parties in the transaction, even if they appear independent may only exacerbate the fraud.

We understand that independent verification will place an added burden on our agents, their closers and title officers. While we felt we could reasonably exclude properties passing through institutional REO channels, we could not come up with a less burdensome alternative that protects the company, our agents, and our customers.

On digging deeper into the claims, here are some of the red flags we've found:

- Orders that don't come from your regular referral sources.
- Rescissions or cancelling of prior trustee documents – which can indicate either a normal loan workout, correction of errors, or that the bad guys are working on a given property.
- A foreclosing trustee handling sales of property outside of their usual area(s) of operation.
- Notarization not in the same county as the office of the foreclosing trustee.
- Use of personal e-mail created accounts rather than commercial named e-mail accounts (e.g., gmail, yahoo rather than “[name of escrow or business].com”
- The involvement of a Hard money lender as such lenders may not scrutinize their borrowers as closely as institutional lenders. As a reminder, WFG has additional standards applicable to hard money lenders. See [California Bulletin 09-001](#).

Even though formal procedures might help prevent fraud, none of this substitutes for the power of your own common sense and a questioning mind. If something doesn't make sense, DIG DEEPER. Sometimes you will find a perfectly reasonable explanation, other times not.

The “Bad Guys” are out there! And they want to steal from You, your lenders and your clients. Your best defense is to borrow from Ronald Reagan and an old Russian proverb – TRUST, BUT VERIFY!

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

**The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.**